

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
FOR A CERTIFICATE OF PUBLIC)	CASE NO. 94-343
CONVENIENCE AND NECESSITY IN THE)	
CONSTRUCTION OF A NEW HEADQUARTERS)	
OFFICE)	

O R D E R

Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") filed its application on September 9, 1994 for a Certificate of Public Convenience and Necessity to construct a new headquarters office building which will consist of an approximately 16,000 square foot two-story office building with a 12,000 square foot attached warehouse. The new building will cost \$1,848,000 and will be built with general funds. It will be located on U.S. 27 north of Nicholasville, Kentucky.

Blue Grass indicated that its existing headquarters office building was built in the 1950s. It has been renovated four times, and an addition was constructed in 1973 in an effort to relieve the crowded conditions. The existing building has severe roof leaks and termite damage. The estimated cost to renovate the existing building is \$2,270,156. Blue Grass sent a request for bids to contractors for the construction of the new building. The contract for the new building will be awarded to the lowest bidder.

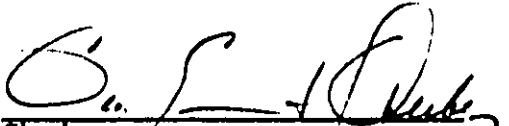
Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the construction of a


new headquarters office building is necessary to replace the existing headquarters office building which has severe roof leaks and termite damage. Further, the cost to renovate the existing building is higher than the cost to build a new headquarters office building.

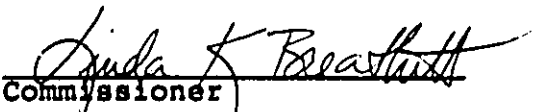
IT IS THEREFORE ORDERED that Blue Grass be and it hereby is granted a Certificate of Public Convenience and Necessity to construct the new headquarters office building described in its application.

Done at Frankfort, Kentucky, this 18th day of October, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director